Rock Island, Illinois, Tuesday December 3, 1872.

CONGRATULATORY.

To the Senate and House of Representatives In transmitting to you my fourth authe Giver of all good that as a nation we have been blessed for the last year with pence at home and abroad, and a general prosperity vouchsafed to but few people. With the exception of the recent devastating fire which swept from the earth with a breath as it were millions of accumulated wealth in the city of Boston there have beenno over shadowing calamities within the year to record . It is gratfying to note how like their feliow citizens of the city of Chicago under similar circomstances a year earlier, the citizens of Boston are rallying under their misfortune and the prospect is that their energy and perseverance will overcome all obstaeles and show the same prosperity soon that they would had no disaster befailen Otherwise we have been free from pestilence, war and calamities which often overtake nations, and as far as human judgment can penetrate the future, no cause seems to exist to threaten

TREATY OF WASHINGTON. When Congress adjourned in June last a question had been raised by Great Brit-air, and was then pending which for a time seriously imperilled the settlement by friendly arbitration of the differences existing between this government and that of her Brittanic Majesty, but the treaty of Washington had been referred to the tribunal of arbitration which had met at Geneva, in Swirzerland. The arbitrators, however, disposed of the question which had jeopardized the whole of the treaty and threatened to involve the two nations in most unhappy relations toward each other in a manner entirely satisfactory to this government and in accordance with the views and the policy which it had maintained, The tribunal which had convened in Geneva in December concluded its laborious session on the 14th day of September last, on which body having availed itself of the discretionary power given to it by the treaty to award a sum in gross, made its decision whereby it awarded the sum of \$15,500,000 in gold as the indemnity to be paid by Great Britain to the United States for the satisfaction of all the claims referred to its consideration. This decision happily disposes of a long standing difference between the governments and in connection with another award made by the German Emperor under a reference to him by the same treaty, governments without a shadow upon the riendly relations which it is my sincere

hope may forever remain equally un-The report of the agent of the United States appointed to attend the Geneva tribunal accompanied by the proctocol of the proceedings of the arbitration, the arguments of the council of both Goveroments, the award of the tribunal and the opinions given by the several arbitracaused to be communicated to the heads of the three friendly powers who compli ed with the joint request made to them under the treaty, the thanks of this Government for the appointment of thear bitrators made by them respectively and also my thanks to the eminent personages named by them and my appreciation the dignity, patience, impartiality and great ability with which they discharged heir arduous and high functions. Her Majesty'sgovernment communicated tome ability and indefatigable industry displayon the part of this Government, during the ribunal. I cordially unite with her Majesty in this appreciation. It is due to the agent of the United States before the tribunal to record my appreciation of the marked ability, the patience, prudence and discretion with which he has conducted the very responsible and also due to the fearned and eminent counthis government to express myself of the taients and wisdom which they brought o bear in argument and of the result so happily reached.

provide for the distribution among those who may be entitled to it of their respective shares of the money to be paid. Although the sum awarded is not payable until a year from the date of the award it s deemed advisable that no time be lost several cases in which indemnification may be due. I consequently recommend the the purpose.

THE SAN JUAN DECISION. By the thirty-fourth article of the Washington, the respective Britain in their construction of the treaty of the 15th of June, 1846, defining the boundary line between their respective torritories were submitted to the arbitra-tion and award of his Majesty the Empeclaims is most in accordance with the true interpretation of the treaty of 1846. His Majesty, the Emperor of Germany having been pleased to undertake the arbitration has the earnest thanks of the people of the United States for the labor, pains and care which he has devoted to the consideration of this long pending difference. I have caused an expression Majesty. Mr. Bancroft, the Representative of this government at Berlin, conducted the case and made the statement on the part of the United States with the ability that his past services justified the public in expecting at his hands. As a member of the cabinet at the date of the treaty which has given use to the discussion between the two governments, as the Minister to Great Britan when the construction now pronounced unfounand representative of the government to ne has been associated with the question manifested a patriotic real and earnestness in maintenance of the claim of United States. He is entitled to much credit for the success which has attended gation of the case and of the statements of each party his Majesty, the Emperor of Germany, on the 21st day of October last signed his award decreeing that the emim of the government of the United States, that the boundary line between the territories of her Britannie Majesty and the United States should be drawn through the Haro Channel is most in accordance with the true interpretation the treaty concluded on the 15th of June of the case presented on behalf of both governments and of the statement in the reply of each and a translation of the award, are transmitted herewith. claim to the important Archipelago of Vancouver's Island, which for 26 years, nce the ratification of the treaty, Great Britain has contested, and leaves us the first time in the history of the United disputed boundary between our territory of the award signed by the Emperor, her

exercise or claim of jurisdiction, so as to leave the United States in conclusive possession of the lately disputed territory. I am grateful to be able to announce that the order for the removal of the troops has been executed and the military joint occupation of San Juan has ceased. The islands are in the exclusive possession of the United States. It now becomes necessary to complete the survey and determination of that portion of the boundary line through the Haro channel upon which the comnission which determined the remaining part disagree. I recommend the appoint ment of a commission to act jointly with one which may be named by Her Majesty

for that purpose. ALASKA. Experience of the difficulties attending the determination of our admitted line of boundary after the occupation of the territory and its settlement by those owing egiance to the respective governments, ints to the importance of establishing natural objects or other monuments actual line between the territory acquired by purchase from Russia and the joining possessions of Her Britannie ajesty. The region is now so sparsely Majesty. occupied that no conflicting interests of individuals or of jurisdiction are likely to interfere to the delay or emburrasement of the actual location of the line. If deferred until population shall enter and ocupy the territory some trivial contest neighbors may again array the two governments in antagonism. I therefore recommend the appointment of a combe appointed on the part of Great Brit ain to determine the line between our territory of Alaska and the co-terminus

possessions of Great Britain. VISHERIES. In my last annual message I recommended the legislation necessary on the part of the United States to bring into operation the articles of the treaty of Washington of May 1871, relating to isheries and to other matters touching the relations of the United States toward the British North American possessions, to become operative so soon as the proper legislation should be had on the part of Great Britain and the possessions. That legislation on the part of Great Britain and ts possessions had not then been had and during the session of Congress a question was raised which for the time raised a doubt whether any action by Congress in the direction indicated would become impotant—a question which has since been disposed of and I have received notice that the Imperial Parliament and the legislatures of the provincial governments have passed laws to carry the provisions of the treaty on the matters re-ferred to into operation. I therefore recommend our early adoption of the legislation in the same direction necessary on the part of this government.

NORTHERN BOUNDARY. The joint commission for determining the boundary line between the United States and the British Provinces between the Lake of the Woods and the Rocky Mountains has organized and entered upon its work. It is desirable that the orce be inceased in order that the completion of the survey and determination of the boundary line may be sooner at-tended to. To this end I recommend that a sufficient appropriation be made.

POREIGN RELATIONS IN GENERAL. With France, our earliest ally, Russia, he constant and steady friend of the United States, Germany, with whose government and people we have so many relations are maintained on the most friendly terms since my last annual mes-The exchange has been made of tro-Hungary empire relating to naturalization; also of a treaty with the German empire respecting consuls and trade marks; also of a treaty with Sweden and Norway relating to naturalization, all of which treaties have been duly proclaimed.

Congress, at its last session, having penses of commissioners on the part of the United States to the International Statistical Congress at St. Petersburg. he persons appointed in that character tended the sessions of the Congress. Their report will in due season be laid before you. This Congress meets at intervals of about three years and has held its sessions in several of the countries of Europe. I submit to your consideration to the Congress to hold its next meeting in the United States. The centennial celebration to be held in 1876 would afford an appropriate occasion for

Preparations are making for the International Exposition to be held during the next year in Vienna on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced avilization and the elevation of industry. of labor and the increase of human hapexposition is to be the first which will have been held in Eastern Europe it is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions if encouraged by proper aid and protection. was given for the appointment of one or more agents to represent this government at the exposition. The authority thus given has been exercised but in the absense of any appropriation there is fear lost to the citizens of the United States. I commend the subject strongly to your consideration and recommend that an adequate appropriation be made for the hibitors at the Vienna exposition I would recommend, in addition, an appropriation t money, that the Secretary of the Navy transport between our Atlantic cities and Trieste or the most convenient port

Since your last session the President of the Mexican Republic, distinguished by his high character and by his services to his country, has died. His temporary successor has now been elected with great unanimity by the people—a proof of confidence on their part in his patriotism and firmed by the results of his administration. of either Republic to strengthen their remuch to be regretted that many lawless acts continue to distract the quiet of the settlements on the border between our land of wrong to American citizens in various parts of the country are made. The revelutionary condition in which the neigh-bering Republic has so long been involved has in some degree contribted to this dis-turbance. It is to be hoped that with a more settled rule of order through the Republic which may be expected from the present government the acts of which just complaint is made will cease. The proceedings of the commission under the ly 1868 on the subject of claims have unfortunately been checked by an obstacle for the removal cultivation which measures have been taken by the two governments, which it is be-tieved will prove successful. The com-

stationed there and for the cessation of all May last, to inquire into depredations on the Texas frontier have diligently made investigations in that quarter. Their report upon the subject will be communicated to you. Their researches were necessarily incomplete, partly on account of the limited appropriation made by Congress. Mexico, on the part of that government, has appointed a similar commission to investigate these outrages. It is not announced officially but the press of that country states that the tullest investigation is desired, and that the co-operation of all parties concerned is invited to secure that end. I therefore recommend that a special appropriation be made at the earliest day practicable to enable the commission on the part of the United States to return to their labors without delay.

CUBA It is with regret that I have again to announce a continuance of the disturbed condition of the Island of Cuba. No ad-vance toward the pacification of the discontented portion of the population has been made while the insurrection has gained no advantages and exhibits no more of the elements of power or of the prospect of ultimate success that were exhibited a year ago. Spain on the other hand has not succeeded in its repression and the parties stand apparently in the same relative attitude which they occupied for a long time past. This contest has lasted now for more than four years. Were it seen at a distance from our neighborhood we might be indifferent to its result, although humanity could not be unmoved by many of its incidents whenever they might occur. It is however at our door. I cannot doubt that the continued maintenance of slavery in Cuba is among the strongest inducements to the continuance of this strife. A terrible wrong is the natural cause of a terrible evil. The abolition of Slavery and the introduction of other reforms in the government administration of could in Cubs could not fail to advance the restoration of peace and order. It is especially to be hoped that the present liberal government of Spain will voluntarily adopt this view. The law of emanerpation which was passed more than two years since has remained unexecuted in the absence of regulation, for its inforcement. It was but a feeble step ognition of right and was bailed as such and exhibited Spain in harmony with the sentiments of humanity and justice, and in sympathy with the other powers of the the past few weeks the regulations for carrying out the law of emancipation have been announced, giving evidence of the sincerity of intention the present gov-ernment to carry into effect the law of 1876. I have not failed to urge the consideration of the wisdom, the policy and the justice of a more effective system for the abolition of the great evil which oppressed a race and continues a bloody and destructive contest to our border, as as the expedience and the instice of reforms of which the propriety is not questioned. Deeply impressed with the conviction that the continuance of slavery is one of the most active causes of the con-

tinuance of the unhappy condition of affairs in Cuba, I regret to believe that citizens of the United States, or those claiming to be such, are large holders in Cuba of what is there claimed as proper-ty, but which is torbidden and denounced are there, in defiance of the spirit of our own laws, contributing to the continuauses of friendship and common sympa- referred to this subject and I again reccontest. In my last annual message I per to denounce and if not prevent at least to discourage American citizens from helding or dealing in slaves.

It is gratifying to announce that the under the auspices of this government allied republics of the Pacific on the other, providing for an armistice have ment is herewith submitted. It is hoped that this may be followed by a permanent

peace between the same parties.

BRAZIL AND VENEZUELA. The differences which at one time threatened the maintainance of peace between Brazil and the Argentine Republie it is hoped are in the way of satisfactory adjustment. With these, states as with the Republics of Central and South America, we continue to maintain the most friendly relations. It is with reernor of Venezuela has made no farther payments on account of the awards under he convention of the 25th of April, 1866. That Republic is understood to be now almost if not quite tranquilized. hoped therefore that it will lose no time in providing for the unpaid balance, of its debt to the United States, which, having originated in injuries to its citizens by the Venezuela authorities, and having been acknowledged pursuant to a treaty in the most solemn form known among nations, would seem to deserve a preference over debts of a different origin and contracted in a different manner. This subject is again recommended to the attention of Congress for such action as

Our treaty relations with Japan remain unchanged. As imposing embassy from that interesting and progressive nation visited this country during the year that is passing, but being unprovided with powers for the signing of a convention in this country no conclusion in that direction was reached. It is hoped however that the interchange of opinion which took place during their stay in this counhas led to a mutual appreciation of the interests which may be promoted when the revision of the existing treaty shall be undertaken. In this connection I renew my recommendation of one year ago that to give importance and to add to the efficiency of our diplomatic relations with Japan and China and to furher aid in maintaining the good opinion f these people and to secure to the tes its share of the commerce destined to flow between these nations and the balance of the commercial world, an appropriation be made to support at least four American youths in each of official tamily of our ministers there. be placed upon an equality with the renresentatives of Great Britain or some other powers. As now situated our representatives in Japan and China have to depend for interpreters and translations upon natives of these countries who cure for the occasion the services of employes in foreign business houses or

TERRIPORTAL. I renew the recommendation made on previous occasion of the transfer to the seem to appropriately belong, of all the powers and duties in relation to the terri-tories with which the Department of State is now charged by law or by cus-

Congress from the beginning of the

States destitute or sick under such cir-cumstances. It is well known that such citizens resort to foreign countries in great numbers, and though most of them are able to bear the expense incident to locomotion, there are some who through accident or otherwise became penniless and have no triends at home able to secure them. Persons in this situatian must either perish, cast themselves upon the charity of of foreigners, or be releived as the private charge of our own officers who usually, even with the most benevolent dispositions, have nothing to spare for such purposes. Should the authority and appropriation asked for be given, care will be taken to carry the benificence be unnecessarily or unworthily bestowed.

THE TREASURY. The money received and carried into the Treasury during the fiscal year ending June 20th, 1872, were, from customs \$216,370,286,77; from sales of public lands \$2 575,714.19; from internal revenue \$130,642,177,72. from tax on national bank circulation, &c., \$6,523,376,39; from Pacific railroad company \$749,861,-87; from customs, fines, &c., \$1,136,442 34; from fees, consular, patents, lands, &c., \$2,284,095,92; from miscellaneous sources \$4,412,254.71. Total ordinary receipts \$364,694,229.91. From premiums on sales of coin \$9,412,637.65. tal net receipts \$374,106,837,56. Balance i the Treasury June 30th, 1871, \$109. 935,70; including \$18,228.35 received from unavailable, total available cash \$484,042,573.15. The expenditures by warrants during the same period were for civil expenses \$16,189,079,70; foreign interests \$18,409,369.14; Indians \$7,-065,728.82; pensions \$28,533,402.76; military establishments, including fortifi-cations, river and harbor im-provemeets and arsenals, \$35,372,557.20; for naval establishments, including ves-sels and machinery and improvements at navy yards, \$21,249,809,99; for miscellaneous civil, including public buildings, light houses and collecting the revenue, \$42,958,329.08; interest on the public debt, \$117,357,839.72. Total, exclusive of principal and premium on public debt, \$270,559,695.91. For premiumor bonds purchased, \$4 958,766.76; for redemption of the public debt. \$99,260,253 54; total, \$106,018,520 30. Total net dis-bursements, \$377,478,216 21. Balance in Treasury, June 30th, 1872, \$18,564, 356.94. Total, \$484,042,573.15.

From the foregoing statement it apcipal of the debt during the fiscal year ending June 30th, 1872, was \$99,960,-253.54. The source of the reduction is as follows: Net ordinary receipts during the year, \$364.694,229,91; net ordinary expenditures, including interest on the public debt, \$270,559,695.91, total, \$94,134,534.00. Add the amount of receipts from premium on sales of gold in excess of the premium paid on boads purchased, \$2,454,470.89. Add the amount of a reduction of the cash balance at the close of the year accompanied with sale at the commencement of the year, \$337.348.65. Total, \$99,960,252.54 This statement treats solely of the principal of the public debt by the monthly statement of the public debt which adds together the principal and interest date due, and deducts the cash in the treasury, as according on the day of publication the reduction was \$10.054 449,128. The source of this reduction is as follows: Reduction in principal account \$29,960,-003.54; reduction in unpaid interest account \$3,330,952.96; total \$103,290,-

\$2,746,465.22; total \$100,544,491.28. On the basis of the last table the statedebt from the 1st of March, 1869, to the present time as follows: From March 782.84; from March 1st, 1870, to March 1st, 1871, \$117,619.630,25; from March ember 1st, 1872, eight months. \$64,-147, 237, 84; total, \$363, 696, 999, 87,

by the acts of Congress at the last session the expenditure of the government in collecting the revenue will be much reduced for the next fiscal year. It is further reduction of so vexatious a bur hen upon any people will be practicable for the present. At all events as a measure of justice to the holders of the national certificates of indebtedness l would recommend that no more legislacorrect errors of omission or commision in the present laws until sufficient time has elapsed to prove that it can be done and still have sufficient revenue to ment, paying interest on the public debt and provide for the sinking funds established by law. The preservation of our national credit is of the highest importance. Next in importance to this come a solemu duty to provide a national currency of fixed and unvarying value as compared with gold, as soon as practica-ble, having due regard for the interests of the debtor class and the vicissitudes of trade, and convertible into gold at par.

The report of the Secretary of War shows the expenditures of the War De-30th, 1871, to be \$33,790,991.82, and for the fiscal year ending June 30th, 1872, to be \$35,372,157.20, showing a reduction in tavor of the last fiscal year of \$427.834.62. The estimates for military appropriations for the next fiscal year The estimates of the chief of engineers are submitted separately for fortification and harbor improvements and for public buildings and grounds and the Vashington aqueduct.
The affairs of the Freedman's Bureau

ave all been transferred to the War Department and regulations have been put into execution for the speedy pay-ment of bounty, pay, &c., due colored soldiers properly coming under that

perty prior to 1871 have been examined and transmitted to the treasury for final

paid for transportation on railroads \$130,000, of which \$80,857 was over the Pacific railroads; for transportation by water \$626,372 52, and by stage \$48,975,-84, and for the purchase of transporta-tice animals, wagons, here of teamsters, &c., \$924,650.74. About \$270.000 have been collected from southern railroads during the year, leaving about \$4,000,-00 still due.
The Quartermaster has examined and

itizens for quartermaster's stores taken during the war. Subsistance supplies to the amount of \$8.904,812 have been The annual average mean strength the army was 24,210 white, and 2,404 colored soldiers. The total deaths for the year reported were 367 white and 54

ransmitted to the accounting officers for ettlement \$36,617 272 of claims by loyal

surgical history of the war is yet to be ordered by Congress. There exists an absolute necessity for a medical corps of the full number established by an act of Congress of July 28th, 1866, there being now 59 vacancies and the number of suc-cessful candidates rarely exceeds eight or government has wisely made provisions for the relief of distressed seamen in forcign countries; no similar provision, however, has hitherto been made for the relief of citizens in distress abroad other than seamen. It is understood to be customary with other governments to authorize consuls to extend such relief to their citizens or subjects in certain cases. A similar authority and an appropriation to carry it into effect are commended in case of citizens of the United

port made by the commission appointed to investigate the Sutro tunnel has been transmitted to Congress. The observa-tions and report of the signal office have been continued. Stations have been maintained at each of the principal lake seaport and river cities. Ten additional stations have been established in the United States and arrangements have een made for the exchange of reports with Canada, and a similar exchange of bservations is contemplated with the West India Islands.

ARMY REQUIREMENTS. The favorable attention of Congress is invited to the following recommendations of the Secretary of War: A discouting ance of the appointment of extra Lieutenants to serve as Adjutants and Quarter masters; the adoption of a code providing specific penalty for well-defined offenses o that the inequality of sentences ad judged by court martial may be adjusted; the onsolidation of accounts under which expenditures are made as a measure of nomy; a re-appropriation of the mon ev for the construction of a depot at San Antonio, the title to the site being now perfected; a special act placing the cemetery at the city of Mexico on the same basis as other national cemeteries; authority to purchase sites for military posts in Texas; the appointment of commissary setrigeants from non-commission-ed officers as a measure for securing the better care and protection of supplies; an appropriation of the catalogue and tables medical maseum; a re-appropriation of the amount for the manufacture of breech loading arms should the selection be so delayed by the board of officers as to leave the former appropriation unex-pended at the close of the fiscal year; the sale of such arsenals east of the Missis-sippi as can be spared and the proceeds applied to the e-tablishment of one large arsenal of construction and repair upor the Atlantic coast, and the purchase of a suitable site for approving and experimental ground for heavy ordnance; the abrogation of laws which deprive inventors in the United States service from deriving any benefit from their invention; the repeal of the law prohibiting premo ons in the staff corps; a continuance of the work upon the coast defences; the repeal of the 7th section of the act o July 13th, 1866 taking from engineer soldiers the per diem granted to other troops; a limitation of time for the presentation of subsistance supplies claims under the net of July 4th, 1864 and a modification in the mode of the selection of cadets for the military academy in or ier to enhance the usefulness of the academy which is impaired by rea on of the large amount of time necessarily expend-ed in giving new cadets a thorough knowledge of the mere elementary branches of learning which they should acquire before entering the academy also an appropriation for philosophical apparatus and an increase in the numbers and the pay of the military academy.

INTER-TRANSPORTATION. The attention of Congress will be called

luring its present session to variou- en-

erprises for the more certain and cheaper transportation of the constantly increasproducts to the Atlantic seaboard. subject is one that will force itself upon the legislative branch of the government sooner or later, and I suggest therefore that immediate steps be taken to gain all Reduction in cash on hand available information, and insure equitable and just legislation. A route to connect the Missi sippi Valley with the Ohio and Tennessee rivers and canals and and Ocuulgee rivers has been surveyed and report made by an accomplished engineer officer of the army. Second and third new routes will be proposed for the consideration of Congress, namely: by an extension of the Kanawaa and extension of the Chesapeake and Ohio canal. I am not prepared to recommend government aid to these or other enter-prises until it is clearly shown that they are not only of national interest but that when completed they will be of a value reduction increases more rapidly than the means of transportation in our counry has been demonstrated by past ex erience; that the unprecedented growth in population and the projects of the bulky articles of commerce to reach tide water and a market will be demanded in the near future is equally demonstrable. I would therefore vucgest either a committee or commission be authorized to consider this whole question and to report to Congress at me future day for it. better guidance legislating on the important subject. The railroads of the country have been rapialy extended during the last few years to meet the growing demand of producers and reflect much credit upon the capitalists and managers engaged in their construction. In addition to these a project to faciliate commerce by the building of a ship canal around. Niagara Falls on the United States side which has been agitated for many years will no doubt be called to your attention this the country and the increasing demands of commerce it might be well while on this subject not only to have examined routes for connecting the Mississippi with tide water on the Atlantic but the feasisoast would be of great value at ali times and of inestimable value in case of a foreign war. Nature has provided the greater part of this route and the obstacles to be overcome are easily within the skill of the engineer. I have not allu ted any further expenditure of 'public money at this time than may be necessary to nformation before Congress in an authenpracticable and worthy to legislate on he subject without delay.

NAVY DEPARTMENT. The report of the Secretary of the navy herewith accompanying explains fully the condition of this branch of the public service, its wants and deficiencies. and appropriations for the same. It also gives a complete history of the services of the navy for the past year in addition to its regular services. It is evident that unless steps are taken to preserve our navy that in a very few years the United States will be the weakest nation upon the ocean of all the great powers. With an energetic, progressive forming busicess relations with every enough to command the respect of our arms abroad is necessary for the full proteetion of their rights. I recommend careful consideration by Congress of the recommendations made by the Secretary

POST OFFICE DEPARTMENT. The accompanying report of the Postmaster General furnishes a full and satis-factors exhibit of the operations of the Post Office Department during the year. The ordinary revenues of the Depart-1872, amounted to \$21,915,426,37, and pared with the previous fiscal year the increase of revenue was \$1,878,380,95, or ditures \$2,268,088.23, or 9 29 per cent. Adding to the ordinary revenues he annual appropriation of \$700,000 for free as the conspiracies and combinations

been completed and the proper site has been determined upon for the bridge at La Crosse. The able and extensive respecial appropriations the deficiency paid is by no one more than myself, that a out of the general treasury was \$3,317. out of the general treasury was \$3,317.
765 94, an excess of \$389 707.28 over the more than I that the necessity of applymore than I th deficiency for the year 1871. Other in more than I that the necessity of ap teresting statistical information relating ing it may never again be demanded. to our rapidly extending postal service is furni-hed in this report. The total length of railroad mail routes on the thirtieth of June, 1872, was 57,911 miles; 8,077 additional miles of service have been put into operation

during the year; 8 new lines of railway post offices have been established with an aggregrate length of 2,909 miles; the number of letters exchanged in the mails with foreign countries was 24,362,500, an increase of 4,066,502, or twenty per cent, over the number in 1871, and the postage thereon amounts to \$1,871,257.25. total weight of the mails exchanged with European countries exceeds 820 tons; the cost of transatlantic mail steamship rvice was \$220,301 70; the total cost of the United States ocean steamship service including the amounts paid to the subsi dised lines of mail steamers, was \$1,027, 020.97. The following are the only stearnship lines now receiving subsidies for mail service under special act of Congress: The Pacific Mail Co. receive \$500,000 per annum for carrying a and at the same time improve the condi-monthly mail between San Francisco, tion of the Indians, and the policy will be Japan and China which will be increased to \$1,000,000 per annum and a semi monthly mail on and after the first of Oct 1873; the United States and Brazil Mail Steamship Co., receive \$150,000 per annum for carrying a monthly mail be-tween New York and Rio de Janeiro. and Brazil; and the California, Oregon, and Mexico Steamship Co., receive \$750,000 per annum for carrying a monthly mail between San Francisco and Honolulu and Hawaiian I-lands, making the total amount of mail steamship subst-dies at present \$7,250,000 per annum. Our postal communications with all parts of the civilized world have been placed upon a most advantageous footing by the improved postal connections and arrange-ments recently concluded with the leading commercial countries of Europe and America, and the gratifying statement is made that with the conclusion of satisfactory convetion with France, the deto by the head of the French postal department, subject to the approval of the minister of finance, little remains to be accomplished by treaty for some time to

or improved facilities of postal intercourse. Your favorable consideration is respectfully invited to the recommendation at the close made by the Post Master theneral for an increase of service from monthly to semi monthly trips on the mail steamship route to Brazil; for a subsidy to provide for the establishment of an American line of mail steamers between han Francisco. New Zyaland and Australia; for the tablishment of post office savings banks and for the increase of the salaries of the heads of bureaus. I have heretofore commended the abolition of the franking privdege and see no reason now for changing my views on that subject. not having been favorably regarded by Congress, however, I now suggest a mod

is not probable that this subject could the limits of a short session of Congress but it may be initiated so that further STEAMSHIP SUBSIDIES.

There are but three lines of ocean steamers, namely: The Pacific Mail Steamship Co., between San Francisco, China and Japan with provision made for semi-monthly service after October 1st, 1873; the United States and Brazil Zealand and Australian line, monthly plying between the United States and foreign ports and owned and operated under our flag. I earnestly recommend that such liberal contracts for carrying as will insure their continuance. government to lines of steamers which hitherto have not received it should be deemed worthy of the consideration of make it advisable to bestow such aid on a line under our South American ports. By this means much trade now diverted to other counries might be brought to the United States to the mutual advantage of this of the continent of America. The report of the Secretary of the Treasury will show an alarming falling off in our carrying trade for the last ten or twelve years and that public treasure can be better expend-ed in the interest of the whole people than in crying to recover this trade. An expenditure of \$5.000,000 per annum for the next five years, if it would restore to us our proportion of the earrying trade of the world would be profitably expended. The price of labor in Europe has been so much enhanced within the last few years that the cost of building and operating occan steamers in the United States is bility of an almost continuous land is not so much greater than in Europe, locked navigation from Maine to the that I believe the time has come for Con-Gult of Mexico. Such a route along our gress to take this subject into serious

Detailed statements of the disbursments through the Department of Justice will be furnished by the report of the Attorney General, and though these have been somewhat increased by the recent acts of Congress to enforce the rights of entirens of the United States to vote in he several states of the Union and to enoree the provisions of the fourteenth smendment to the constitution of the leaunot question the necessity and

salitary effect of these enactments. Reckless and lawless mes I regret to say have associated themselves together n some localities to deprive other citizens of the right guaranteed them by the coned have committed decis of violence, but he prevention and punishment of many of these persons have tended greater to the repression of such disorders. I do not doubt that a great majority of the per-ple in all parts of the country favor the all enjoyment by all classes of persons of the rights to which they are entitled under the constitution and the laws, and citizens to prevent organizations whose objects are by unlawful means to interfere with these rights. I look with confidence to the time not far off when the obvious advantages of good order and peace will induce an abandoument of all ferred to and when it will be unnecessary to carry on prosecutions or inflict punishments to protect citizans for the inwiess doings of such combinations. Appliestions have been made to me to pardon persons convicted of a violation of said acts on the ground that elemency in such cases would tend to tranquilize the public mind, and to test the virtue of that policy I am disposed as far as my sense of ju-tice will permit to give to these applica-tions a favorable consideration, but any action thereon is not to be construed as indicating any change in my determina-tion to enforce with vigor such act as long

DEPARTMENT OF THE INTERIOR. The Secretary of the Interior reports satisfactory improvement and progression in each of the several bureaus under the control of the interior department. They are all in excellent condition. The work which in some of them for some years has been in arrears has been brought down to a recent date and in all the current business has been promptly dis-

The policy which was a lopted at the beginning of the administration with regard to the management of the Indians has been as successful as its most ardent riends anticinated within so shorts time It has reduced the expense of their mainenance, decreased their forages upon the white settlements, tended to give the largest opportunity to the extension of, the great railway through the public do minion and the pushing of settlements into more remote districts of the country tion of the Indians, and the policy will be maintained without any change excepting such as further experience may show be necessary to render it more efficient. The subject of converting the so called Indian territory south of Kansas into a home for the Indian and erecting thereon a territorial form of government is one of great importance as a complement of the existing Indian policy. The question of removal to the territory has within the past year been presented to many of the tribes resident upon other and less desirable portions of the public domains and has generally been received by them with favor. As a preliminary step to the organization of such a territory it will be to confine the Indians now resident there into farms of proper size which should be secured to them in fee, the residue to be used for the settlement of other friendly Indians. Efforts will be made in the immediate future to induce the removal of as many peaceably disposed Indians only to the Indian territory as can be settled properly without disturbing the harmony of those already there. There is no other location now available where a people who are endeavoring to acquire pursuits can be as well accommodated as upon the unoccupied lands in the Indian territory. A territorial government should however protect the Indians from the inroad of whites for a term of years until they become sufficiently advanced in the arts and civilization to guard their own rights and from the disposal of lands held by them from the same period.

PUBLIC LANDS.

During the last fiscal year there were

disposed of out of the public lands 11 .-864.975 acres, a quantity greater 1,099,270 acres than was disposed of the previous year. Of this amount 1,370,320 acres were sold for eash; 389,460 acres located with military warrants; 4,671, 332 acres taken for homesteads; 693,613 Congress, however, I now suggest a mod fication of that privilege to correct its glaring and costly abuses.

POSTAL TELEGRAPHY.

I would recommend also the appointment of a committee or commission to take into conscieration the best method, equivable to private corporation who have invested their time and capital in the establishment of telegraph times, of acquiring the tulle to all telegraph times now in operation and of connecting their service with the postal service of the nation. It tain interesting information in regard to their respective districts. They uniformaction may be fair to the government and ling the past season, and the increased yield of all kinds of produce, and evince that those states and territories, where min ing is the principal business, agricultural products have exceeded the local demand and liberal shipments have been made to

During the year ending Sept. 30, 1872, they were issued from the patent office 13,026 patents, 233 extensions and 536 certificates and registers of trade marks. During the same time 19,587 applications for patents including reissues and designs have been received to 3,100 excerts file. The fees received during the same period amounted to \$700,959 85 and the total expenditures to \$023,553,90, making the net receipts over the expenditures \$77,400,56. Since 1836, 200,000 applications for patents have been filed and about 134,000 patents issued. The office is being conducted under the same laws and general organization as were adopted at the original inaugration when only from 100 to 500 applications were made per annum. The commissioner shows that

annum. The commissioner shows that the office has outgrown the original plan and that a new organization has become necessary. This subject was presented to necessary. This subject was presented to Congress in a special communication in February last with my approval and the approval of the Secretary of the Interior and the suggestions contained in said communication were embraced in a bill that was reported to the House by the committee on patents of last session. The subject of the reorganization of the eferred to is of such importance to the industrial interests of the country that I mmen i it to the attention of Congress he coutnissioner also treats the subject of the separation of the patent office from the department of the interior This fore referred to. The commissioner com plains of the want of room for the model gallery and for the working force and necessary files of the office. It is impossible o transact the business of the office properly without more room in which to ar consulted hourly in the transection of business. The whole of the patent office building will soon be needed if it is not already for the accommodation of

the business of the putent office. PENSIONS, The amount paid for pensions in the amount \$2,313,409 were paid under the act of Congress of February 17, 1871 to survivors of the war of 1812. 

EDUCATION.

The rapidly increasing interest in education, is a most encouraging feature in the current instory of the country, and there is no don't that this is due in a great measure to the efforts of the Bareau of Education. That office is continually receiving evidences which annufantly prove its efficiency from the various institutions of learning and educations of all k mist throughout the country. The report of the Commissioner contains a yast amount of educational details of great interest. Inte bill now pending before Congress, providing for the appropriation of part of sine process of the sales of public lands for educational purposes to aid the states in the general education of their rising generation; is a measure of such great importance to our real progress and is so unanimously approved by the leading friends of education that commend it to the favorable attention of Congress.

THE WEST. EDUCATION.

Affairs in the territories are generally satisfactory. The business capacity of the proneers who are settling up the vast domain
not yet incorporated into states are keeping
pace is internal improvements and civil governments with the older communities. In
but one of them, Utah is the condition of
affairs unsatisfactory except so far as the
quiet or the citizens may be disturbed by
real o imaginary danger of Indian hostifities. It has seemed to be the polity of the
Levislature of Utah to evade air responsibility to the government of the United States,
and even to hold a position in hostility to
it. I recommend a careful revision of the
present laws of the territory by Congress and

Since the establishment of a territorial government for the District of Columbia, the improvement of the condition of the city of Washington and surroundings and the increased prosperity of the citizens is observable of the most casual visitor. The nation being a large owner of property in this city should bear with the citizens of the district, its just share of the expense or these improvements, i recommend therefor as appropriation. To reimburse the citizens for the work done by them along and in front of public grounds during the past year and liberal approximation is in order that the improvement and grounds may keep pace with the improvements made by the ierritorial authorities.

AGRICULTURAL

CIVIL SERVICE REPORM.

Saturday was St. Andrew's day. Justice Simonson has moved his office into Mitchell & Lynde's new block, where he occupies two rooms. Richard Moses, a Scott county farmer.

recently lost \$1,200 worth of barley by fire. Supposed to have been the work of Not a little i ndignation is expressed mong all classes at the unfeeling allusion

to Mr. Greeley in the "editorial notes" of the Union, Sunday morning. E. Breunert, of the Harper House drug

store, is a member of the Pharmaceutical College, located at Leavenworth. Kan., and is a scientific contributor to that insti-

river again, consisting of drays, barrels, and draymen, by which the liquid is transferred from the river to the various cisterns. A letter can now be sent to New Found

land for six cents per half ounce, and a last fiscal year was \$30,169,340, an land for six cents per half ounce, and a amount larger by \$3,708,428 than was newspaper for two cents. The old rate paid during the proceeding year. Of this | was ten cents for letters, and four cents for papers. The late Captain Throckworton was in

command of the Government steamer Warrior when the Battle of Bad Axe was fought, and witnessed the close of that Epizooty decreasing slowly. All the

stables are now open and horses are let for short trips. No fatal cases are reported in this city, and but two in Moline.

It is considered the polite thing to skip around on the other side of a lady to avoid stepping on her trail. A young gentleman undertook to perform the trick yesand sat down on the side-walk.

stration congressmen who are now rapidly arriving "express much dissatisfaction with the position of the president concerning the civil service. They insist that political parties connot be maintained with such principles." In this they are, beyond all question, correct. To party exisence, in the sense now generally accepted by American politicians, the "cohesive power of public plunder" is as essential as the power of gravitation is to the continued existence of the material world.

Take away from the now dominant political party the "cohesive power of public plunder," and disruption and disintegration must inevitably follow.